2018 Shareholder Resolution
JPMorgan Chase & Co.
Request: Report on Risks of Financing Tar Sands
Lead Filer: Proxy Impact

WHEREAS: Tar sands oil is one of the dirtiest and most carbon- and capital-intensive fossil fuels. Tar sands extraction destroys huge swathes of forest, pollutes land and water, and creates massive reservoirs of toxic waste. It impacts Indigenous People's rights both at the point of extraction and along pipeline routes, in particular in companies' serial failure to secure free, prior and informed consent.

The Institute for Energy Economics and Financial Analysis reported that tar sands development lost nearly $31B in revenue from 2010 through 2013, "largely because of a fierce grassroots movement against tar sands development."

JPMorgan Chase (JPMC) has positioned itself as an industry leader on climate change by publicly supporting the Paris Climate Agreement, announcing plans to use renewable power for 100% of its global energy needs by 2020, committing to facilitate $200 billion in clean financing through 2025, and proactively reducing lending to the coal sector.

In contrast, JPMC is the #1 U.S. lender and underwriter of tar sands producers and pipeline companies, at $8.4 billion from 2014 through September 2017. This is more than double the nearest U.S. peer. In the first nine months of 2017, JPMC's financing of tar sands increased almost 17% compared to all of 2016.

In 2017:

- Exxon wrote off 3.5B barrels of tar sands oil reserves as not economically viable.
- ConocoPhillips, Shell, Marathon Oil, Murphy and Statoil divested more than $24B of tar sands assets.
- Suncor, the largest tar sands producer, "pledged not to invest in oil sands for 'foreseeable future' and shares have surged." (*Wall St. Journal*)
- Eight global banks had developed policies that prohibit financing for tar sands projects or companies.
- BNP Paribas, the world's 8th largest bank, announced it "will no longer do business with companies whose principal business activity is the exploration, production, distribution, marketing or trading" of tar sands oil and will restrict financing for tar sands projects.

JPMC faces reputational and financial risk by supporting four controversial planned tar sands projects, via project or corporate finance: Kinder Morgan's Trans Mountain, TransCanada's Keystone XL, and Enbridge's Line 3 pipelines, and Teck's Frontier mine. These would result in significant climate and environmental impacts, are strongly opposed by local Indigenous communities, and contradict JPMC's commitments to the Paris Agreement and clean energy.

BE IT RESOLVED: Shareholders request that JPMorgan Chase prepare a report, omitting proprietary information and prepared at reasonable cost, by September 2018, on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation. This report should include assessments of:

- Short- and medium-term risk of portfolio devaluation due to stranding of high cost tar sand assets.

- Whether JPMC's tar sands financing is consistent with the Paris Agreement's goal of limiting global temperature increase to "well below 2 degrees Celsius".
- How tar sands financing aligns with our company's support for Indigenous People's rights.
- Reducing risk by establishing a specific policy, similar to that of other banks, restricting financing for tar sands projects and companies.